

Cocoa Bean Procurement Guidelines

Mitsubishi Corporation, together with its subsidiary MC Agri Alliance., Ltd. (hereinafter "MC"), is engaged in businesses related to cocoa, working together with partners around the world such as Olam Group.

Cocoa beans are used as raw materials not only for confectionery and beverages such as chocolate and cocoa but also for food, pharmaceuticals, and cosmetics. With global population growth and economic development in various countries, demand for cocoa beans continues to increase.

Cocoa beans are mainly produced in Ghana, Cote d'Ivoire, and Ecuador. In the production areas, the decline in harvests due to droughts, floods, and pest damage has become an urgent issue in recent years. And since most of the farmers are small-scale farmers, there are concerns about environmental and social issues such as forced labor and child labor caused by poverty, and deforestation and soil contamination caused by agricultural expansion.

Under these circumstances, MC has established the "Cocoa Bean Procurement Guidelines" as a policy for addressing environmental and social issues in the sustainable sourcing of cocoa beans.

■ Basic Policy

1. Compliance with Laws and Regulations

MC will adhere to the laws and regulations of all relevant countries within the supply chain.

2. Consideration for Ecosystem Conservation

MC will procure cocoa beans from a source that takes due consideration for ecosystem conservation, such as prohibiting illegal deforestation, utilizing water resources responsibly, and protecting soil through the appropriate application of pesticides.

3. Respect for Human Rights

MC will procure cocoa beans from a source that respects the human rights of workers within the supply chain by, for example, identifying and eliminating forced labor and child labor driven by poverty, ensuring appropriate working conditions, and prohibiting discrimination and harassment.

4. Consideration for Local Communities

MC will procure cocoa beans from a source that conducts business activities without violating the land and housing rights of indigenous and local communities and fulfills responsibilities in upholding human rights in the regions where operations are conducted.

■ Specific Initiatives

1. Conduct human rights and environmental due diligence on the MC Group's supply chain (via the Sustainable Supply Chain Survey) on a regular basis, assess supplier risks and promote corrective action if necessary.
2. Leverage our Grievance Mechanism, a contact point for consultations from external stakeholders, to identify environmental and social issues in a timely and appropriate manner, and work to prevent and mitigate those issues.
3. Work with suppliers such as Olam Group, MC's affiliate company, to provide agricultural support and assistance to workers in production areas.
4. Support the Living Income Differential (LID)¹ to ensure farmers receive fair compensation and purchase cocoa beans only from supply sources that comply with this standard. Participate in the World Cocoa Foundation (WCF)², which aims to establish a sustainable chocolate supply chain.
5. Establish cocoa bean procurement targets, as below, to promote sustainable sourcing practices.

■ Cocoa bean procurement target

100% procurement of sustainable cocoa beans³ by 2030

Established : May 1, 2025

¹ A minimum price system for cocoa beans established by the governments of Ghana and Côte d'Ivoire, which together account for over 60% of global cocoa production, for the purpose of addressing the challenges faced by producers with stagnant incomes.

² An organization established by stakeholders involved in the cocoa and chocolate supply chain, including producers, processors, cooperatives, ports, warehouses, trading companies, retailers, and financial institutions. Its mission is to improve farmers' incomes, restore natural capital, and eradicate child labor, thereby promoting a sustainable cocoa industry.

³ Cocoa beans that comply with AtSource (a sustainability management platform developed by Olam) or cocoa beans from suppliers that comply with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management